

Message Text

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FM AMEMBASSY OTTAWA

TO SECSTATE WASHDC 6744

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AMEMBASSY PARIS

C O N F I D E N T I A L OTTAWA 2278

E.O. GDS

TAGS: MASS, BEXP, EGEN, CA, FR

SUBJECT: EFFORTS OF FRENCH MINISTER TO INFLUENCE GOC DEFENSE
PROCUREMENT

REF: OTTAWA A-410, JUNE 18, 1975

1. SENIOR DEPARTMENT OF INDUSTRY, TRADE AND COMMERCE
(ITC) OFFICIAL HAS TOLD EMBASSY'S COMMERCIAL
COUNSELOR OF UNSEEMLY LOBBYING OF FRENCH FOREIGN
TRADE MINISTER NORBEERT SEGARD WITH CANADIAN DEFENSE
MINISTER RICHARDSON AND PRIME MINISTER TRUDEAU IN
BEHALF OF FRENCH PRODUCER OF ARMORED PERSONNEL
CARRIERS. SEGARD WAS IN OTTAWA FOR JUNE 9-10 MEETING
OF CANADA-FRANCE ECONOMIC COMMISSION (REF AIRGRAM).
HIS LOBBYING WAS EXTRACURRICULAR TO THAT MEETING AND,
ACCORDING TO OUR SOURCE, EXTREMELY IRRITATING TO
RICHARDSON AND DEPARTMENT OF NATIONAL DEFENSE (DND).

2. ITC SOURCE TOLD US SEGARD PRESSURED RICHARDSON
TO HOLD OFF DND DECISION ON ARMORED PERSONNEL
CARRIERS UNTIL SAVIEM CORPORATION OF FRANCE COULD
SUBMIT BID. ITC SOURCE THOUGHT REPEAT THOUGHT DND
HAD ALREADY DECIDED TO AWARD CONTRACT TO CHRYSLER (US)
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OR GENERAL MOTORS (US), WHEREAS SAVIEM PRODUCT IS

"NOT YET EVEN ENGINEERED" AND DND WANTS TO RUN TESTS
AS EARLY AS NEXT FEBRUARY.

3. ITC SOURCE CLEARLY IMPLIED TO COMMERCIAL COUNSELOR
THAT DND WOULD WELCOME USG EXPRESSION OF INTEREST IN
THIS GOC PROCUREMENT AS A HELP IN SQUELCHING FRENCH.

4. ACCORDING TO EMBASSY'S DEFENSE ATTACHES (DAO),
THIS PROCUREMENT COULD BE AS LARGE AS 720 AVGPS (ARMORED
VEHICLE GENERAL PURPOSE) VALUED BETWEEN \$100 AND \$200
MILLION, DEPENDING ON TOTAL NUMBER AND MIX AND TURRET
CONFIGURATION. DAO ALSO ADVISES THAT BOTH FRENCH
PRODUCTS, PANHARD, AS WELL AS SAVIEM, WENT OUT OF
CONTENTION BEFORE THE END OF 1974, AND CANADIANS
OFFICIALLY NOTIFIED FRENCH COMPANIES THAT THEIR VEHICLES
WOULD NO LONGER CONTINUE TO BE CONSIDERED IN THE
COMPETITION. FINAL RUNOFF, AMONG TEN ORIGINAL CONTENDERS,
IS AMONG U.S. COMPANY CADILLAC GAGE OF WARREN, MICHIGAN
WITH ITS FOUR-WHEEL "COMMANDA"; BRAZILIAN
COMPANY ENGESA'S "URUTU"; AND SWISS COMPANY
MOWAG'S "PIRANHA". BRAZILIAN AND SWISS PRODUCTS
BOTH SIX-WHEEL. CADILLAC GAGE, ACCORDING TO
THOMAS REGISTER, IS AN AFFILIATE OF EX-CELL-O
CORPORATION. CADILLAC GAGE'S REPRESENTATIVE, WHOM
DAO HAS MET, IS MR. HENKE, TELEPHONE 313-777-7100.

5. COMMENT. ACCORDING TO DAO, IMPRECISE INFO IN
PARA 2 ABOVE IS FIRST INFERENCE WE HAVE HAD THAT
U.S. COMPANY IS GETTING THE NOD IN THIS DND
PROCUREMENT. EMBASSY, HOWEVER, HAS NO FIRM BASIS
FOR INDEPENDENT JUDGEMENT AS TO WHETHER USG EXPRESSION
OF INTEREST TO GOC AT THIS PARTICULAR TIME IS
NECESSARY OR DESIRABLE.
PORTER

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